



Housing Authority of the City of Alameda

701 Atlantic Avenue - Alameda, California 94501-2161 - Tel: (510) 747-4300 - Fax: (510) 522-7848 - TDD: (510) 522-8467

To: Honorable Chair and
Members of the Board of Commissioners

From: Lisa Goldman
Acting Chief Executive Officer

Date: April 5, 2011

Re: Adopt the Resolution to Approve Housing Authority Budget Revision No. 3
for Fiscal Year 2012 including the Proposed Position Changes,
Extraordinary Maintenance and Capital Improvement Projects

BACKGROUND

On April 6, 2010, the Board of Commissioners passed and approved a two-year operating budget for all programs covering the two fiscal years starting July 1, 2010, and ending June 30, 2012. Two amendments to the FY2011 budget have been adopted. This third amendment, if adopted, will be the first one to affect the second budget year (FY2012).

DISCUSSION

Income

This budget revision proposes to reduce income in two categories. This revision would reduce rental income for Independence Plaza to reflect actual revenues being received. The U. S. Department of Housing and Urban Development (HUD) has not adopted a budget for the current fiscal year and with the split in Congress, next year's HUD budget may also be difficult to pass. A number of proposals have been made, most of which talk about reduced funding. Taking a conservative approach, the Housing Authority is anticipating that a 10 percent reduction in Administrative Fees will take place. To cover the anticipated expenditures for three additional Capital Improvement Projects, additional income is required for Independence Plaza. This budget reflects these changes in income.

Expenses

The Housing Authority is continuing its reorganization plans. The Community Development Programs Manager position, previously a position in the Economic Development Department, has been moved to the Housing Authority and is now reflected in the Schedule of Authorized Positions.

This budget also proposes adding three entry-level management positions and eliminating three existing positions. These changes reflect current needs of the divisions whose responsibilities have changed since the retirement of the Managed



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Housing Manager. All tasks and related employees have been reassigned to the other divisions.

The Housing Assistance Division deals with a variety of programs (e.g., Housing Choice Voucher Program, Family Unification Program, Project-based Voucher Program, etc.), each with its own unique rules and regulations. There also is a high degree of risk for the organization (i.e., loss of federal funding) if employees fail to perform adequately. A high degree of coordination is required as this division must work with private property owners and a wide variety of other government entities. This division is undergoing an internal reorganization, creating work units that will focus on various operational tasks involved with running these federal and local housing programs, including eligibility, case management, etc., incorporating some functions that used to be part of the of the Managed Housing Division. An entry-level position of Administrative Services Coordinator is proposed in this budget revision. This position would take over management of one of the three work units and up to five employees.

The Maintenance Division has two components. One component involves managing extraordinary maintenance and capital improvement projects and assisting the Housing Programs and Development Division. Each project is unique and complex. It also involves a substantial burden for the division's manager with tasks that cannot be delegated. A high degree of coordination also is required.

The second component consists of the day-to-maintenance of housing units, buildings and grounds. Activities tend to be routine; however, there is a maintenance emergency from time to time that requires quick and sometimes creative action. Part of this component involves on-site resident maintenance staff, previously part of the Managed Housing Division. These employees are unique in that their services and living arrangements are provided under contract. Managing these employees is very much like managing other types of contracts. This budget revision proposes adding a Maintenance Services Coordinator, a position that has been vacant since 2006. This position, if added, will be responsible for supervising the resident maintenance staff of three full-time and six part-time employees.

The Operations Manager continues to be responsible for a variety of special projects and ongoing tasks. When the Managed Housing Manager retired, responsibility for the tenant population in the existing 572 units was added to her list of tasks. An entry-level Management Analyst position is recommended in this budget revision. If approved, this position will provide support for the Operations Manager as well as for all division managers.

If creation of the Maintenance Services Coordinator and Administrative Services Coordinator positions is approved, this budget amendment would eliminate the Reconstruction Specialist II and Housing Specialist III positions in the budget. The proposed budget amendment also would eliminate the Program Specialist II position in the Housing Programs and Development Division. These changes result in no net change in the number of positions. Only the addition of the transfer of the Community Development Program Manager position to the Housing Authority, funding of which is



not included in the Housing Authority's budget, increases the total number of positions by one from 45.7 to 46.7.

The proposed budget amendment recommends changes to the Schedule of Extraordinary Maintenance Projects (EMP). Two projects were able to be completed with left-over funding in the HA-Owned Fund this fiscal year; therefore, they are recommended to be deleted from the FY2012 budget (EV1-12, replace Eagle Village garbage enclosures, and ABD1-12, repaint common areas at Anne B. Diamant Plaza). Proposed additional projects include PV1-12, replacing bath fans at Parrot Village (\$7,500) and IP2-12, cleaning all sewer lines at Independence Plaza (\$10,000). This budget revision also proposes to change the scope and budget for two projects. The China Clipper Plaza project (CC1-12) was originally designed to paint the 2nd floor hallways and replace the entry doors. The revised project, if approved, is to paint the hallways throughout the building, increasing the cost by \$3,000 to \$27,800. At Lincoln House, the cost for dry rot repairs is expected to be higher than originally anticipated bringing the cost for this project, which includes painting the exterior, up from \$32,750 to \$42,750.

A variety of changes are recommended to the Capital Improvement Projects (CIP) Schedule. In the FY2011 budget, the Housing Authority started a process to upgrade and add office equipment. This budget revision proposes to continue that process with an additional investment of \$36,500. This dollar amount will provide funding to replace approximately eight to 10 computers, 10 monitors, two printers, and a copy machine. It also will allow for the purchase of a second high-speed scanner and an upgrade to the latest version of Microsoft Office. Because of the overall dollar investment, this is considered a CIP and is listed under the Housing Authority's General Fund.

The office remodeling project will continue next fiscal year. This budget revision proposes carrying over dollars budgeted from FY2010 to FY2012 (GF3-10, \$520,000). This amount would incorporate the replacement of the HVAC equipment, thus deleting this item as a separate project (GF1-12, \$38,575).

Several additional projects are proposed for Anne B. Diamant Plaza including ABD2-12, replacing the nurse pull stations (\$47,369), ABD3-12, replacing 10 tub/shower units (\$50,000), ABD4-12, replacing 10 toilets with the low-flow type (\$25,350), and ABD5-12, replacing exterior lighting (\$22,000). Two additional projects are proposed for Rosefield Village. They include RV1-12, replacing exterior lighting (\$24,500) and RV2-12, replacing windows with energy-saving dual-paned windows (\$32,500).

Several project changes also are proposed for Independence Plaza. Rather than simply replacing the turf with drought-tolerant landscaping, all plantings are proposed to be replaced. If approved, the cost for IP1-12 will increase from \$75,650 to \$175,650. Water savings over time should make up for this additional cost. Replacing the nurse pull stations (IP3-12) also is proposed for FY2012 at a cost of \$100,000.



The Housing Commission reviewed this budget revision proposal at its meeting held on March 16, 2011. The Commission recommends the Board of Commissioners adopt the resolution to approve the budget revision for FY2012.

FINANCIAL IMPACT

The attached spreadsheet (Exhibit 1) compares the approved FY2012 budget with the proposed revision. The Schedule of Authorized Positions (Exhibit 2) and the Schedule of Extraordinary Maintenance and Capital Improvement Projects (Exhibit 3) also are attached. If this budget revision is approved, total Operating Expenses are anticipated to decrease by \$379,234 from \$31,303,729 to \$30,924,495.

The changes proposed in the CIP schedule would add \$1,121,344 in expenses. The total appears on the second page of the budget spreadsheet. An increase exists only in the Housing Authority's General Fund and Independence Plaza. The deficit for the Housing Authority's General Fund will increase by \$517,925, primarily due to the office remodeling project; this deficit will be covered by reserves. For Independence Plaza, CDBG funds of \$100,000 are expected to cover the cost of replacing the nurse pull system. The balance of the deficit will be covered by an increased subsidy from the Community Improvement Commission.

RECOMMENDATION

Adopt the Resolution to approve Housing Authority Budget Revision Number 3 for Fiscal Year 2012, including the proposed position changes and extraordinary maintenance and capital improvement projects.

Respectfully submitted,



Michael Pucci
Executive Director

Exhibits:

1. Spreadsheet Comparing Approved and Proposed Funding
2. Proposed Schedule of Authorized Positions
3. Proposed Schedule of Extraordinary Maintenance and Capital Improvement Projects



Housing Authority of the City of Alameda

Resolution No. _____

APPROVING AND ADOPTING
HOUSING AUTHORITY BUDGET REVISION NO. 3
FOR THE FISCAL YEAR
JULY 1, 2011, TO JUNE 30, 2012

WHEREAS, the Acting Chief Executive Officer has submitted a proposed budget revision to the Board of Commissioners of the Housing Authority of the City of Alameda; and

WHEREAS, the Housing Authority has sufficient operating reserves to meet the working capital needs of its properties; and

WHEREAS, the proposed budget includes expenditures that are necessary for the efficient and economical operation of the housing for the purpose of serving low-income residents; and

WHEREAS, the proposed revised budget indicates a source of funds adequate to cover all proposed expenditures; and

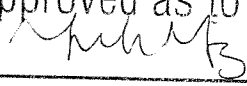
WHEREAS, the Housing Authority will comply with all state and federal wage rate requirements and requirements for access to records and audits;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the City of Alameda hereby adopts Budget Revision No. 3 as submitted for the fiscal years starting July 1, 2011.

ATTEST:

Michael T. Pucci
Executive Director / Secretary

Marie Gilmore, Chair
Board of Commissioners

Approved as to Form


ASSISTANT GENERAL COUNSEL

Housing Authority of the City of Alameda
Budget Revision Number 3
For the Fiscal Years Ending June 30, 2012

Budget Line Items	General Fund		Parrot & Eagle Village		HA Owned		Independence Plaza		Section 8 Voucher		Total All Programs	
	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012
OPERATING INCOME:												
HAP/Operating Subsidy	193,392	189,600	1,229,202	1,240,800	2,621,196	3,013,620	815,858	970,248	23,203,466	22,748,496	28,063,114	28,162,764
Rents	0	0	512,978	399,000	1,293,646	1,325,580	1,319,472	1,293,600	0	0	3,126,096	3,018,180
Administrative Fees	0	0	0	0	0	0	0	0	1,979,355	1,750,944	1,979,355	1,750,944
Interest	2,040	2,000	7,140	7,000	26,010	25,500	1,471	1,442	0	0	36,661	35,942
Other Income	8,176	8,016	12,240	12,000	173,070	78,501	20,147	119,752	7,670	7,520	221,303	225,789
TOTAL INCOME	203,608	199,616	1,761,560	1,658,800	4,113,922	4,443,201	2,156,948	2,385,042	25,190,491	24,506,960	33,426,529	33,193,619
OPERATING EXPENSES:												
ADMINISTRATIVE:												
Total Admin. Salaries	0	0	218,205	190,735	564,942	459,891	241,492	258,157	925,957	1,007,174	1,950,596	1,915,958
Legal	0	0	4,162	4,080	21,194	20,778	7,838	7,684	11,251	11,030	44,445	43,572
Sundry	0	0	52,766	61,890	177,023	195,942	70,465	83,541	214,907	270,648	515,161	612,020
TOTAL	0	0	275,133	256,705	763,159	676,611	319,795	349,382	1,152,115	1,288,852	2,510,202	2,571,550
TENANT SERVICES												
Salaries	0	0	5,176	5,334	41,615	40,799	22,065	21,632	0	0	68,856	67,765
Tenant Activities	0	0	102	100	38,842	42,000	102	100	102	100	39,148	42,300
TOTAL	0	0	5,278	5,434	80,457	82,799	22,167	21,732	102	100	108,004	110,065
UTILITIES:												
Water & Sewer	0	0	78,256	76,722	202,378	205,010	63,334	62,092	364	357	344,332	344,181
Electricity	0	0	16,379	16,540	68,969	70,880	47,494	47,960	8,397	8,480	141,239	143,860
Gas	0	0	5,572	5,463	43,050	44,806	21,042	20,629	506	496	70,170	71,394
TOTAL	0	0	100,207	98,725	314,397	320,696	131,870	130,681	9,267	9,333	555,741	559,435
MAINTENANCE:												
Salaries	0	0	195,588	194,006	470,668	466,842	275,602	272,923	0	0	941,858	933,770
Materials	0	0	48,756	47,800	107,209	108,107	44,651	43,775	4,345	4,260	204,961	203,942
Contract Costs	0	0	300,145	295,260	776,118	776,900	275,104	271,710	12,954	24,700	1,364,321	1,368,570
TOTAL	0	0	544,489	537,066	1,353,996	1,351,849	595,357	588,408	17,299	28,960	2,511,140	2,506,282
GENERAL:												
Police Services	0	0	49,770	49,770	106,680	106,680	37,590	37,590	15,960	15,960	210,000	210,000
Insurance	0	0	38,760	38,000	44,676	54,300	65,280	54,000	5,100	5,000	153,816	151,300
Employee Benefits	0	0	143,979	134,331	370,188	333,190	185,282	190,338	318,205	346,842	1,017,654	1,004,700
Collection Losses	0	0	13,872	13,600	16,320	17,000	0	0	0	0	30,192	30,600
TOTAL	0	0	246,380	235,701	537,864	511,170	288,152	281,928	339,264	367,802	1,411,662	1,396,600
TOTAL OPER. EXPENSES	0	0	1,171,487	1,133,631	3,049,873	2,943,124	1,357,341	1,372,130	1,518,047	1,695,046	7,096,749	7,143,932
MORTGAGE/HAP												
HAP	193,392	189,600	0	0	0	0	0	0	23,203,466	22,748,496	23,396,858	22,938,096
Mortgage Interest	0	0	226,997	231,350	60,651	71,643	446,424	446,424	0	0	734,072	749,417
TOTAL	193,392	189,600	226,997	231,350	60,651	71,643	446,424	446,424	23,203,466	22,748,496	24,130,930	23,687,513
OTHER EXPENSES:												
Extraordinary Maint.	5,000	5,000	0	7,500	71,050	70,550	0	10,000	0	0	76,050	93,050
TOTAL	5,000	5,000	0	7,500	71,050	70,550	0	10,000	0	0	76,050	93,050
TOTAL EXPENSES	198,392	194,600	1,398,484	1,372,481	3,181,574	3,085,317	1,803,765	1,828,554	24,721,513	24,443,542	31,303,729	30,924,495
Operating Income before Dep	5,216	5,016	363,076	286,319	932,348	1,357,884	353,183	556,488	468,978	63,418	2,122,803	2,269,124

Housing Authority of the City of Alameda
Budget Revision Number 3
For the Fiscal Years Ending June 30, 2012

Budget Line Items	General Fund		Parrot & Eagle Village		HA Owned		Independence Plaza		Section 8 Voucher		Total All Programs	
	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012	Approved 2012	Proposed 2012
Depreciation (paper expense)	26,989	40,860	260,577	255,468	378,940	444,524	319,097	314,808	0	0	985,603	1,055,660
Operating Income after Dep	(21,773)	(35,844)	102,499	30,851	553,408	913,360	34,086	241,680	468,978	63,418	1,137,200	1,213,464
<u>GAAP to Cash Adjustments</u>												
Operating Income after Dep	(21,773)	(35,844)	102,499	30,851	553,408	913,360	34,086	241,680	468,978	63,418	1,137,200	1,213,464
<u>Cash Adjustments</u>												
Addback Depreciation	26,989	40,860	260,577	255,468	378,940	444,524	319,097	314,808	0	0	985,603	1,055,660
Subtract Mortgage Prin Paymts			(115,080)	(122,697)	(39,337)	(39,337)	(211,383)	(234,034)			(365,800)	(396,068)
Subtract Replacement Reser	(10,000)	(10,000)	(32,200)	(32,200)	(42,500)	(42,500)	(44,604)	(44,604)			(129,304)	(129,304)
Subtract Equipment Reserv	0	0	(3,200)	(3,200)	(3,600)	(3,600)	(2,200)	(2,200)	(2,000)	(2,000)	(11,000)	(11,000)
HAP (Paid from Prior ACC's)										0	0	0
Total Adjustments	16,989	30,860	110,097	97,371	293,503	359,087	60,910	33,970	(2,000)	(2,000)	479,499	519,288
Adjusted Net Cash/Operatio	(4,784)	(4,984)	212,596	128,222	846,911	1,272,447	94,996	275,650	466,978	61,418	1,599,100	1,732,752
<u>Reserve Transfers and Loans</u>												
Operating Reserve transfers	0	0	0	0	0	0	0	0	0	0	0	0
HAP Equity (NRA)										0	0	0
Replacement Reserve							0	0	0		0	0
Total Non-Operating	0	0	0	0	0	0	0	0	0	0	0	0
<u>Capital Assets</u>												
Capital Asset Additions	(38,575)	(556,500)	(71,750)	(38,950)	(420,500)	(856,719)	(75,650)	(275,650)	0	0	(606,475)	(1,727,819)
New Development											0	0
Loan Proceeds or ABD loan					0	0					0	0
FACSA Acq (pay-off US Bank)					0	0					0	0
CDBG Funds for CIP's	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash for Capital Assets	(38,575)	(556,500)	(71,750)	(38,950)	(420,500)	(856,719)	(75,650)	(275,650)	0	0	(606,475)	(1,727,819)
Net Adjustments	(43,359)	(561,484)	140,846	89,272	426,411	415,728	19,346	0	466,978	61,418	992,625	4,933

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
PROPOSED SCHEDULE OF AUTHORIZED POSITIONS -- FY2011 and FY2012 - REV. NO. 3

	Approved	Proposed
<u>ADMINISTRATION AND MANAGED HOUSING</u>		
Executive Director	1.0	1.0
Housing Authority Manager	1.0	1.0
Management Analyst		1.0
Executive Assistant	1.0	1.0
Housing Manager		1.0
Intermediate Clerk		1.0
Sub-total	3.0	6.0
<u>FINANCE DIVISION</u>		
Finance Manager	1.0	1.0
Accounting Officer	1.0	1.0
Senior Account Clerk	1.0	1.0
Account Clerk	1.0	1.0
Sub-total	4.0	4.0
<u>HOUSING DEVELOPMENT AND PROGRAMS</u>		
Development Services Division Manager	1.0	1.0
Community Development Programs Manager		1.0
Program Specialist II	1.0	
Office Assistant	1.0	1.0
Sub-total	3.0	3.0
<u>HOUSING ASSISTANCE DIVISION</u>		
Housing Assistance Manager	1.0	1.0
Administrative Services Coordinator		1.0
Housing Specialist III	1.0	
Housing Manager		1.0
Housing Specialist II	3.0	3.0
Housing Specialist I	3.0	3.0
Intermediate Clerk	6.0	6.0
Sub-total	14.0	15.0
<u>HOUSING MANAGEMENT DIVISION</u>		
Housing Authority Manager (Managed Housing Mgr)	1.0	1.0
Housing Manager	2.0	
Intermediate Clerk	1.0	
Resident Employees*	4.7	
Sub-total	8.7	1.0
<u>MAINTENANCE AND FACILITIES DIVISION</u>		
Public Works Supervisor	1.0	1.0
Maintenance Services Coordinator		1.0
Reconstruction Specialist II	1.0	
Housing Specialist II	1.0	1.0
Senior Clerk	1.0	1.0
Maintenance Team Leader	1.0	1.0
Maintenance Worker II	4.0	4.0
Maintenance Worker I	3.0	3.0
Custodian	1.0	1.0
Resident Employees*		4.7
Sub-total	13.0	17.7
TOTAL	45.7	46.7

* There are three full-time Resident Managers (Independence Plaza, Anne B. Diamant Plaza, and Esperanza), three part-time Assistant Resident Managers (same complexes), and four part-time Resident Custodian positions. These employees are required to reside on site at the housing complex, each as an individual

SCHEDULE OF EMP AND CIP PROJECTS - REV. NO. 3
JULY 1, 2011 - JUNE 30, 2012 (FY 2012)

Project No	Project Description	Approved EMP/CIP FY 2012	Proposed EMP FY 2012	Proposed CIP FY 2012
HOUSING AUTHORITY GENERAL FUND				
Approved projects		5,000	5,000	
GF3-10	Office Renovations (carried over)			520,000
GF1-12	Replace HVAC equipment	38,575		
GF3-12	Office Equipment Upgrades/Additions			36,500
SUB-TOTALS		43,575	5,000	556,500
EAGLE VILLAGE AND PARROT VILLAGE				
Approved projects		38,950		38,950
EV1-12	Replace two garbage enclosures	32,800		
PV1-12	Replace bath fans		7,500	
SUB-TOTALS		71,750	7,500	38,950
HOUSING AUTHORITY-OWNED				
Approved projects		127,000		127,000
ABD1-12	Repaint common area and hallways	13,500		
ABD2-12	Replace nurse-pull stations			47,369
ABD3-12	Replace 10 tub/shower units			50,000
ABD4-12	Replace 50 toilets with low-flow			25,350
ABD5-12	Replace exterior lighting			22,000
CC1-12	Repaint hallway on all floors and install new entry doors (2nd floor)	24,800	27,800	
LH1-12	Repaint exterior and repair dry rot	32,750	42,750	
ESP1-12	Renovation of 40 20 units (electrical, cabinets, bathrooms)	150,000		300,000
ESP2-12	Replace parking lot asphalt in 3 parking lots (Maple Way)	143,500		225,000
RV1-12	Replace exterior lighting			27,500
RV2-12	Replace windows with dual pane			32,500
SUB-TOTALS		491,550	70,550	856,719
INDEPENDENCE PLAZA				
IP1-12	Replace turf all landscaping with drought-tolerant Bay Friendly landscaping	75,650		175,650
IP2-12	Clean all sewer lines		10,000	
IP3-12	Replace nurse-pull stations			100,000
PROPOSED TOTALS		75,650	10,000	275,650
GRAND TOTALS		682,525	93,050	1,727,819